



Senate

General Assembly

File No. 35

February Session, 2014

Senate Bill No. 181

Senate, March 18, 2014

The Committee on Higher Education and Employment Advancement reported through SEN. CASSANO, S. of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING UCONN LEASES WITH STATE AGENCIES AND QUASI-PUBLIC AGENCIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (g) of section 10a-109g of the 2014 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective from passage*):

4 (g) The proceeds of the securities of any issue shall be used solely
5 for the purpose or purposes identified in the master indenture, and
6 shall be disbursed in such manner and under such restrictions, if any,
7 as the university may provide in the resolution authorizing the
8 issuance of such securities or in the indenture or resolution securing
9 the same. [The university shall not lease or finance or lease-finance any
10 land or building outside the Storrs campus through any other state
11 agency or quasi-public agency other than those leases, financings or
12 lease purchases in the ordinary course of its activities and provided the
13 annual expenditure thereof during the period of agreements related

14 thereto whether expressed as rent, debt service, lease purchase
15 payments or the like does not exceed for each item which is the subject
16 matter of the lease, finance or lease-finance agreement, fifty thousand
17 dollars in any year and such limitation shall apply as long as the
18 university is authorized in accordance with subsection (a) of this
19 section to issue securities under sections 10a-109a to 10a-109y,
20 inclusive.] The resolution providing for the issuance of securities, and
21 any indenture or resolution securing such securities, may contain such
22 limitations upon the issuance of additional securities as the university
23 may deem proper, and such additional securities shall be issued under
24 such restrictions and limitations as may be prescribed by such
25 indenture or resolution, provided, no such resolution or indenture
26 shall include a covenant committing the university to the issuance of
27 additional securities secured by a pledge of the state debt service
28 commitment. The university may provide for the replacement of any
29 securities which become mutilated, or are destroyed, stolen or lost.
30 Securities may be issued under sections 10a-109a to 10a-109y,
31 inclusive, without obtaining the consent of any department, division,
32 commission, board, bureau, or agency of the state and without any
33 other proceedings or the happening of any other conditions or things
34 other than those proceedings, conditions or things which are
35 specifically required by sections 10a-109a to 10a-109y, inclusive.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	10a-109g(g)
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HED *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
UConn	Various Funds - Potential Savings	Potential	Potential

Municipal Impact: None

Explanation

The bill results in a potential future savings to the University of Connecticut by eliminating a requirement that lease-finance agreements for certain transactions be limited to \$50,000 or less. Eliminating this requirement provides financing flexibility which may result in a potential future savings due to avoiding the risk of obsolescence in terms of space needs.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject the number of leases.

OLR Bill Analysis**SB 181*****AN ACT CONCERNING UCONN LEASES WITH STATE AGENCIES
AND QUASI-PUBLIC AGENCIES.*****SUMMARY:**

This bill eliminates a prohibition on UConn leasing or lease-financing, through another state or quasi-public agency, any land or building outside the Storrs campus that costs more than \$50,000 per year. The prohibition applies to leases and lease-finance agreements under the UConn 2000 infrastructure program. By law, UConn may, without such a cost restriction, directly lease real or personal property or rights or interests in any such property in connection with UConn 2000 (CGS § 10a-109d(7)).

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 20 Nay 0 (03/04/2014)